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Michigan State AFL-CIO

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MARK T. GAFFNEY, *President*

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December 6, 2005

Dear Member of the Michigan House:

The Michigan State AFL-CIO strongly supports Senate Bills 895, 896, 897, and 898 and urges you to vote "Yes" on this very important proposal to reduce health care costs for public schools.

This proposal was first proposed by the American Federation of Teachers - Michigan and the International Union of Operating Engineers Local 547. It was presented to the General Board of the Michigan State AFL-CIO on September 30, 2005. A resolution of support was approved by the General Board, which includes representation from all the unions affiliated with AFL-CIO, with an unanimous vote. This proposal has the support of all the unions who make up the Michigan State AFL-CIO.

These bills have 6 key elements that will save public schools money on health care:

- 1 State Sponsored Catastrophic Stop Loss Coverage
- 2 Competitive Health Care Purchasing through Coalitions/Regional Pools
- 3 Transparent Health Care Cost Information for School Employers and Employees
- 4 Disclosure of Hospital and Physician Performance on Measures of Quality
- 5 State-of-the-Art Programs to Improve Member Health
- 6 Efficient Administrative Services that Leverage Industry Standards and Information Technology within a Competitive Environment

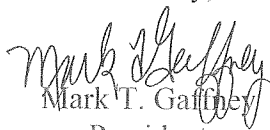
This proposal is completely voluntary for the school districts. It does not try to force a "one size fits all" solution on all school districts in Michigan. The decision to participate in the catastrophic stop loss pool or to join a regional purchasing pool to self insure will all rest with the locally elected school boards. Most importantly from our perspective, collective bargaining rights for public school personnel will be protected in these bills.

In addition, public school employees will finally be provided with performance data for health care providers so that they can become smart health care consumers. Employers will be encouraged to have programs for health promotion and disease management. These measures will improve the quality of the health care that public school employees receive.

These bills are a win-win-win proposal for school districts, school employees and the taxpayers of Michigan. Health care costs will be reduced and quality will be improved.

For these reasons we urge you to vote "Yes" on Senate Bills 895, 896, 897, and 898. Thank you.

Sincerely,


Mark T. Gaffney
President